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State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Acting Division Director

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Lieutenant Governor

April 5, 2005

CERTIFIED RETURN RECEIPT
7002 0510 0003 8603 3752

Duane Crutchfield
Ash Grove Cement Company
P.O. Box 51
Nephi, Utah 84648

Subject: Initial Review of Amended Notice of Intention for Large Mining Operations, Ash Grove Cement Company, Nielson Sandstone Mine, M/023/012, Juab County, Utah

Dear Mr. Crutchfield:

The Division has completed our review of your draft Notice of Intention to Revise your Nielson Sandstone Large Mining Operations, located in Juab County, Utah, which was received March 23, 2005. After reviewing the information, the Division has determined that the notice meets the qualifications to be considered an amendment, rather than a revision. Therefore, when we reach the approval stage, we will not need to publish for public comment.

The attached comments will need to be addressed before approval may be granted. The comments are listed under the applicable Minerals Rule heading. Please format your response in a similar fashion. **Please address only those items requested in the attached technical review.** Please send replacement pages of the original mining notice using redline and strikeout text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the corrected plan pages that can be inserted into the originally approved plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records. Please provide a response to this review by May 6, 2005.

The Division will suspend further review of the amended Notice of Intention until your response to this letter is received. If you have any questions

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in this regard please contact me, Paul Baker or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:tm:jb
Attachment: Review
cc: Rex Rowley, BLM, Fillmore FO (UTU- 070687)

REVIEW OF AMENDED NOTICE OF INTENTION for LARGE MINING OPERATIONS

**Ash Grove Cement Company
Nielson Sandstone Quarry**

**M/023/012
April 5, 2005**

R647-4-106 - Operation Plan

106.6 Plan for protecting & redepositing soils

The current plan is to place six inches of salvaged soil over blasted native rock material. Under the worst case scenario for the proposed change, waste from the steel plant would be left on site and would be used to backfill the highwall. What effects would this have on revegetation? By itself, six inches of soil is not adequate to support plant growth, and this is the reason the existing plan uses blasted material as a subsoil. Would the steel plant waste serve as a subsoil? Would it have deleterious effects on the topsoil? (PBB)

To help answer these questions, the Division suggests that the material be tested for pH, electrical conductivity, and texture. Please include any additional information that would relate to vegetative growth on this material. (PBB)

Would it be possible to include a contingency plan to cover the waste with subsoil from some other parts of the mine? A total of about two feet of subsoil and topsoil cover would probably—though not necessarily—be adequate depending on the nature of the material. (PBB)

R647-4-107 - Operation Practices

107.4 Deleterious material safety stored

The MSDS sheet on the millscale indicates that chronic inhalation of the iron oxide dust can cause benign pneumoconiosis (siderosis).

What safeguards will take place at the site to insure that dusting will not occur off this stockpile during the time that it is stored onsite? (DJ)

R647-4-113 - Surety

The surety reduction submitted with this amendment is based on several assumptions that are not necessarily valid.

First, equipment and labor costs have not changed since the submission of the amendment filed on April 7, 2003. The surety estimate submitted with this amendment assigned the same costs to reclamation activities that were used in 2003.

Second, the Division's escalation factor has remained the same.

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Third, the slag material will substitute as sub-soil and sub-soil will not be needed for cover before soil is applied. Depending on the soil tests that will need to be run on this material, there is a possibility that this material may require a greater cover than initially bonded for in the initial bond analyses.

Labor and equipment costs have increased since this last amendment. The RS Means inflation factor has changed since you last bond submittal; last year alone the inflation factor for labor and equipment was 9.76%.

The factor now being used to calculate escalation is 4.44% (this is an average of the last three years inflation factors).

Until data is received that demonstrates that this material will not have a deleterious effect on plant growth, the assumption on the reduction of the surety amount is premature. An additional step will be required to be put into the reclamation plan and surety for spreading the slag material against the highwall prior to pushing sub-soil and soil to cover it.